

**BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

DOCKET NO. 2021-____-E

In the Matter of:)	
)	
Petition of Duke Energy Carolinas, LLC)	PETITION FOR LIMITED WAIVERS AND REQUEST FOR APPROVAL OF UPDATED SERVICE REGULATIONS
and Duke Energy Progress, LLC for)	
Limited Waivers)	
)	

Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP”) (together, the “Companies”), by and through counsel, hereby respectfully petition the Public Service Commission of South Carolina (the “Commission”), pursuant to S.C. Code Ann. Regs. 103-301(3), 103-803, and 103-825, for a limited waiver of S.C. Code Ann. Regs. 103-339 and 103-321 and Sections III.A.2(a)-(b) of the Companies’ Code of Conduct,¹ which will allow the Companies to fully implement the Customer Connect platform. Specifically, these waivers will allow the Companies to upgrade their billing system infrastructure to better support dynamic rate designs; standardize the monthly billing period by extending it by two days; and grant the Companies more flexibility in reviewing a customer’s payment history to potentially eliminate the

¹ DEC, DEP, Piedmont, and other Affiliates are bound by the Code of Conduct pursuant to Regulatory Condition 6.1, approved by the North Carolina Utilities Commission in its September 29, 2016 Order Approving Merger Subject to Regulatory Conditions and Code of Conduct in Docket Nos. E-2, Sub 1095; E-7, Sub 1000; and G-9, Sub 682. The Code of Conduct was adopted as applicable to South Carolina via this Commission’s Order No. 2016-772, issued in Docket No. 2011-158-E on November 2, 2016, and as updated in a filing made on October 9, 2018. The Companies’ Code of Conduct establishes the minimum guidelines and rules that apply to the relationships, transactions, and activities involving the public utility operations of DEC, DEP, Piedmont, Duke Energy, other Affiliates, or the Nonpublic Utility Operations of DEC, DEP, and Piedmont, to the extent such relationships, activities, and transactions affect the public utility operations of DEC, DEP, and Piedmont in their respective service areas.

need for a deposit when relocating from one Duke Energy jurisdiction to another. DEC and DEP explain the limited relief sought as set forth below.

I. Background

As explained in other dockets, the Companies have undertaken the replacement of their current Customer Information Systems (“CIS”), which are nearly thirty years old and past the point where modular “bolt on” systems or upgrades are effective.² In Orders No. 2018-552 and 2018-553, the Commission authorized DEC and DEP, respectively, to establish a regulatory asset to defer the costs associated with the Customer Connect Program. Accordingly, in 2018, the Companies began the process of implementing a modern customer service platform known as Customer Connect. This Systems, Applications and Products in Data Processing (“SAP”) platform has been implemented by nearly 800 utilities globally, including utilities that have already implemented renewable generation and advanced metering infrastructure (“AMI”).

In mid-2018, the Companies successfully deployed the first of several deliverables under Customer Connect, which provided the Companies with the capability to learn more about their customers by gathering, storing, and analyzing customer insights. In 2019, the Companies built on the holistic customer profile and improved their ability to communicate with customers. In May 2020, the Companies introduced a universal bill format to help customers more easily view and understand their bill and energy usage. In 2021, the Companies plan to deploy the core billing system. As previously communicated to the Commission, DEC will deploy the Customer Connect platform in April 2021. DEP previously expected to deploy the Customer Connect platform in April 2022, and now expects to deploy earlier than expected, in November 2021, at the same time

² The Companies have provided the Commission with extensive information on the Customer Connect platform, its functionalities, and the timing for deployment in the following dockets: Docket No. 2018-205-E (DEP), 2018-207-E (DEC), 2018-318-E (DEP), 2018-319-E (DEC).

as Duke Energy Florida (“DEF”). After completing the universal design and multiple mock conversions, the Companies are confident in their ability to deploy the solution earlier than planned for DEP, and combining the DEP deployment with DEF reduces the overall program complexity by having one less deployment.

After many months of work to design, develop, code, and test the system, the platform is ready to launch. All product testing was completed in January 2021 (consisting of nearly 40,000 test scripts executed by over 120 resources) in support of a timely deployment in April 2021. However, before the platform can be implemented in South Carolina, the Companies are requesting that the Commission grant three specific and limited waivers in accordance with S.C. Code Ann. Regs. 103-301(3) and 103-803, and approve the corresponding updates to the Companies’ service regulations. S.C. Code Ann. Regs. 103-301(3) and 103-803 grant the Commission the authority to waive its regulations where compliance produces “unusual hardship” or “unusual difficulty or where circumstances indicate that a waiver of one or more rules or regulations is otherwise appropriate,” upon a finding that “such waiver is not contrary to the public interest.” The Companies believe these limited waivers will deliver significant benefits to customers, as described in detail in this filing, and none of these waivers are contrary to the public interest. The Companies also emphasize the urgency and importance of each of these waivers. Due to the fact that the system has been constructed and testing was completed in January 2021, without each of these waivers, the Companies risk being unable to effectively implement the program and incurring additional charges, all of which impact their customers.

DEC and DEP also request Commission approval of their updated Revert to Owner program, and DEC is seeking to extend the remittance period for non-residential customers from

fifteen (15) to twenty-five (25) days, to be implemented with the deployment of Customer Connect.

The COVID-19 pandemic has had many impacts on the Companies in 2020. From the Customer Connect program perspective, the Companies (1) deployed over 800 employees to remote work and never missed a milestone; (2) incorporated new processes and methodologies including conducting virtual training, deployments, and support; (3) released a new bill format for all customers, remotely, with a great customer experience; and (4) moved the DEP implementation from April 2022 to November 2021, to deliver new customer capabilities faster based on success with earlier deployments. COVID has shifted these priorities throughout 2020 and complicated the timing of the Companies filing this request. The Companies acknowledge that this request comes late in the process, but the Companies have attempted to include all waivers related to Customer Connect in this petition, which will allow the Companies to deliver benefits to DEC customers as soon as April 2021. Accordingly, the Companies respectfully request that the Commission issue an order in this matter by the end of March 2021, so that the Companies may deliver these benefits to customers.

II. Waiver Requests and Service Regulation Updates

In order to fully implement the Customer Connect platform, the Companies respectfully request waivers of the following regulations and sections of the Code of Conduct:

<u>Applicable Rule</u>	<u>Outcome</u>	<u>Rationale</u>
S.C. Code Ann. Regs. 103-339(2)(a)-(b)	Customer Bills – Meter Readings: For interval-billed accounts, total usage information will be provided on monthly bills without meter readings.	The calculations of bills on a dynamic rate design now available with new smart meters have billing determinants that may change during the billing period. Under such rate designs and with new meters, meter readings are not used to calculate the customer's bill. Bills

		are calculated by summing the consumption recorded by the meter in 30-minute intervals.
S.C. Code Ann. Regs. 103-321	Monthly Billing Period: The monthly billing period will be extended by two days, meaning that proration of fixed charges will occur when the month includes fewer than 26 or more than 34 days.	Customer Connect will standardize the billing period across Duke Energy jurisdictions for consistency, which will simplify customer service.
Code of Conduct, Section III.A.2(a) and (b)	Payment History Review: When a customer is transferring service from one Duke Energy regulated jurisdiction ³ to another, Customer Connect will perform an automated ⁴ review of the customer's payment history from that jurisdiction to determine if a security deposit is necessary. This process will provide immediate benefit to customers with satisfactory payment history. Customers who have not established a satisfactory payment history will follow the same processes currently in place in accordance with S.C. Code Ann. Regs. 103-331(A)(2).	The payment history review is automated and will not require the customer's consent. This process will provide an immediate benefit to customers with a satisfactory payment history who are moving from one Duke Energy jurisdiction to another by potentially eliminating the need for a security deposit.

a. Customer Bills - Meter Readings

With the deployment of AMI now complete in the Companies' South Carolina service territory, the Companies continue to review and analyze rate designs that offer customers opportunities to respond to real time price signals to achieve a lower cost for electric service. With

³ Piedmont Natural Gas customer payment history is excluded from this process at this time.

⁴ The automated payment history review will be performed for residential and unassigned business customers. Unassigned business customers are non-residential customers who are not assigned an account manager.

the implementation of Customer Connect, the Companies are upgrading their billing system infrastructure to better support new rate designs.

S.C. Code Ann. Regs. 103-339(2) identifies the information that must be included on customer bills. Relevant here, the rule mandates that all bills show “[t]he reading of the meter at the beginning and at the end of the period for which the bill is rendered” as well as “[t]he date on which the meter was read.” This form of showing the meter readings for the beginning and the end of the billing period is commonly associated with scalar billing. However, the calculation of bills on a dynamic rate design, including time-of-use rates and those with a demand component, reflect billing determinants that may change during the billing period. For interval billing, the bill is calculated by summing the consumption recorded by the meter in 30-minute intervals for the bill period, including relevant billing determinants such as demand and time-of-use. Therefore, the bill will not display beginning and ending meter readings for interval-billed rates.⁵ Instead, all bill statements for interval-billed rates will include the total usage for the period for which the bill is rendered and the date the usage was last obtained from the meter.⁶

DEC’s service regulations already contain the following exception for interval-billed rates: “Billing statements will show the readings of the meter at the beginning and end of the billing period, except; however, when interval load data is used to determine the bill under certain rate schedules or riders, only the billing units may be shown.” Accordingly, in addition to waiver of S.C. Code Ann. Regs. 103-339(2)(a), DEP also requests approval to revise its service regulations to include the same exception for interval-billed rates as set forth in DEC’s service regulations.

⁵ For accounts billed on non-dynamic rate designs, the billing determinant is consistent for the billing period; therefore, billing statements for those accounts will display the meter reading at the beginning and at the of the end of the period for which the bill is rendered.

⁶ With smart meter technology, customers have password-protected access to prior day and historic hourly usage information at no charge by accessing their “My Account” information.

Accordingly, the Companies respectfully request a limited waiver of the requirement set forth in S.C. Code Ann. Regs. 103-339(2)(a), which will allow the Companies to omit meter readings for interval-billed rates. The Companies also request a limited waiver of the requirement set forth in S.C. Code Ann. Regs. 103-339(2)(b), which will allow the Companies to provide the date on which usage was last obtained from the meter.⁷ Additionally, DEP respectfully requests approval of the revisions to its service regulations attached hereto as Attachment 1.

b. Monthly Billing Period

The Companies request to add two days to the billing period. S.C. Code Ann. Regs. 103-321 provides that, “[u]nless extenuating circumstances prevent, meters shall be read, and bills rendered on a monthly basis not less than (28) twenty-eight days nor more than (34) thirty-four days.” The DEC and DEP service regulations also define the billing period differently, as related to when proration of fixed costs occurs. Section VIII of DEC’s service regulations provides as follows:

The word “month” as used herein and as used in the rate schedules of the Company means the period of time between the regular meter readings by the Company. Readings are taken each month at intervals of approximately thirty (30) days. Bills rendered for periods of less than 25 or more than 35 days as a result of rerouting of the Customer's account, and all initial and final bills rendered on a Customer's account will be prorated on the basis of a normal 30-day billing period; however, if an initial and final bill occur within the same billing month, no such proration will be made.

Section 8(c) of DEP’s service regulations provide as follows:

The term "Month" or "Monthly" as used in Company's Schedules and Riders refers to the interval transpiring between the previous meter reading date and the current reading date and bills shall be rendered accordingly, except that if the period covered by an initial or final bill or due to rerouting of meter reading schedule is more or less than 28-34 days, the bill will be prorated based on a 30-day billing month.

⁷ This change will not affect customers with kWh-billed only rates.

The Customer Connect platform will standardize processes across jurisdictions so that proration of fixed charges will occur when the billing month includes fewer than twenty-six (26) days or more than thirty-four (34) days. Accordingly, the Companies respectfully request (1) a limited waiver of S.C. Code Ann. Regs. 103-321 and (2) approval of the revisions to their service regulations defining the monthly billing period as set forth in Attachments 1 and 2. These changes effectively allow the Companies to add two days to their billing period, and the Companies believe that this minor change is reasonable and will not detract from customer service if approved.

c. Payment History Review

The Customer Connect platform includes a process to enhance the customer experience for customers moving from one Duke Energy electric utility jurisdiction to another Duke Energy electric utility jurisdiction. The Companies' current CIS do not enable ready access to account histories when a customer is seeking to relocate within the Companies' jurisdictions. If the Code of Conduct waiver is approved as requested, when a customer relocating from one Duke Energy electric utility jurisdiction to another Duke Energy electric utility jurisdiction requests service at a new location, SAP will perform an automated review of the customer's established payment history with Duke Energy. Where satisfactory payment history has been established, no further creditworthiness review will be performed, and no deposit will be required. However, if a customer's payment history is not satisfactory, and the customer consents, an external credit check will be performed. An external credit check will not be performed without the customer's consent. If the result of an external credit check deems a deposit is required, the customer may satisfy the deposit requirement in accordance with S.C. Code Ann. Regs. 103-331(A)(2).

The Code of Conduct defines what constitutes "customer information" and restricts the circumstances under which that information may be shared with affiliates and non-affiliates.

Relevant here, the Code of Conduct defines customer information to include billing history and credit history. While the Code of Conduct authorizes the Companies to provide customer information to Duke Energy or another affiliate “under the same terms and conditions that apply to the provision of such information to non-Affiliates,” Section III.A.2(b) prohibits the disclosure of that information in the absence of customer consent.⁸ The Companies request a waiver to this section to allow the Companies to utilize a customer’s information, including billing history and credit history, to perform an automated review of the customer’s payment history when the customer is transferring service from one Duke Energy regulated jurisdiction to another.⁹ This waiver is necessary for two reasons. First, the payment history review is automated and will not require a customer’s consent. Second, DEC and DEP do not intend to otherwise disclose a customer’s billing and credit history to non-affiliates in these circumstances without customer consent to do so. The Companies believe this waiver is justified because it will provide an immediate benefit to customers with a satisfactory payment history who are moving from one Duke Energy jurisdiction to another by simplifying the process and potentially eliminating the need for additional credit checks or a security deposit.

⁸ Section III.A.2.b of the Code of Conduct provides: “Except as provided in Section III.A.2(f), Customer Information shall not be disclosed to any Affiliate or non-affiliated third party without the Customer’s consent, and then only to the extent specified by the Customer. Consent to disclosure of Customer Information to Affiliates of DEC, DEP, and Piedmont or to DEC’s or DEP’s Nonpublic Utility Operations may be obtained by means of written, electronic, or recorded verbal authorization upon providing the Customer with the information set forth in Attachment A; provided, however, that DEC, DEP, and Piedmont retain such authorization for verification purposes for as long as the authorization remains in effect.”

⁹ Section II of the Code of Conduct provides that “DEC, DEP, or Piedmont may seek a waiver of any aspect of this Code of Conduct by filing a request with the Commission showing that circumstances in a particular case justify such a waiver.”

III. Additional Requests Related to Customer Connect

a. Extension of Remittance Period for DEC Non-Residential Customers

As part of the implementation of Customer Connect, and in response to feedback from non-residential customers, the Companies are extending the remittance period for non-residential customers from fifteen days to twenty-five days. This change will provide non-residential customers with additional time to process and remit their payments in a timely manner and standardize the remittance period for residential customers and non-residential customers.

At this time, DEC respectfully requests to update its service regulations to extend the remittance period for non-residential customers from fifteen days to twenty-five days, as set forth in Attachment 2. A similar request will be filed for approval for DEP non-residential customers prior to DEP's deployment of Customer Connect in November 2021.

b. Revert to Owner Program

As part of the implementation of Customer Connect, the Companies are revising and aligning their respective landlord reversion programs to make uniform rules for customers across DEP and DEC's service territories.¹⁰ The Revert to Owner program provides the ability for landlords who own rental properties, including single family, multi-family and/or commercial properties, to avoid a lapse in service by automatically placing electric service and/or an outdoor light account in the landlord's name when a tenant voluntarily vacates a property. DEP's program is currently available only to residential customers. With the implementation of Customer Connect, Revert to Owner will be available to both residential and non-residential customers of DEP and DEC.

¹⁰ The Commission originally approved DEP's (then Carolina Power and Light Company) request to update its service regulations to implement a landlord reversion program on April 5, 1995 in Docket No. 95-652-E. See Order No. 95-837. DEC's program is not on file with the Commission.

In order to enroll, the landlord may not have any outstanding debt with the Companies and must be able to provide an email address. Landlords will have the option to enroll via self-service in the Companies' new Landlord Experience Portal available from its website (www.duke-energy.com) or via Customer Care Specialist ("CCS"). CCSs will have the ability to establish Revert to Owner setup on behalf of a landlord who chooses not to self-serve. Self-service landlords will accept terms and conditions of the program as part of the electronic enrollment process. CCS enrollment will require a contract to be signed and property addresses provided by the landlord for enrollment to be complete. Landlords will have access to the Companies' Landlord Experience Portal which will provide a dashboard view of all the landlord's properties registered with the Revert to Owner program. In addition, CCSs will maintain a view of all properties associated with any landlord. CCSs will also be available to assist landlords enrolled in Revert to Owner, as needed. A summary of key attributes of the current landlord programs compared to the programs' state subsequent to the Customer Connect platform implementation is set forth below:

	Current State		Future State	
	DEC	DEP	DEC	DEP
Signed contract for enrollment	Yes	Yes	Yes	Yes
Notary requirement for contract signature	No	Yes	No	No
Residential rental properties	Yes	Yes	Yes	Yes
Non-residential rental properties	Yes	No	Yes	Yes
Minimum number of contiguous properties	No	No	No	No
Connection charge when service reverts to landlord	Yes	Yes	Yes	Yes
Deposit required for Revert to Owner enrollment	No	No	No <i>(except DNP)</i>	No <i>(except DNP)</i>
Deposit calculation methodology	N/A	N/A	According to Rules	According to Rules

The Companies have attached for review, as Attachment 3, the Revert to Owner Agreement. The Companies respectfully request that the Commission approve the Revert to Owner program for DEC and DEP as described herein, with these changes to be effective upon the Companies' respective Customer Connect deployment dates.

IV. Important Customer Connect Updates That Do Not Require Commission Action

Although the following programs do not require Commission action in order to be implemented, the Companies would like to provide the Commission with additional information on the many opportunities and benefits Customer Connect will provide to customers.

- **Budget Billing Plan** – Previously known as the Equal Payment Plan, the Budget Billing plan will allow customers to have an averaged, equal monthly bill. Residential and unassigned business customers will have the option to choose (1) an annual plan with a yearly settle-up or (2) a quarterly plan without a settle-up. Under the yearly plan, the Companies will examine the preceding twelve months of usage to calculate the yearly settle-up. The settle-up is the difference between the amount paid under the plan and the amount actually used. Under the quarterly plan, the previous twelve months usage will determine the monthly budget billing plan. Customers on an installment plan will be eligible for the Quarterly Budget Billing Plan.
- **Annual Deposit True Up** – The Companies will conduct an annual deposit review on the service anniversary date for residential and unassigned business customers. If the account is over-secured, meaning the actual deposit amount is more than an estimated two months of usage for the last 12 months, the true up will result in a credit to the account of the difference, regardless of the amount. If the account is under-secured, meaning the deposit amount is less than an estimated two months of usage for the last 12 months, residential

customers will be billed the amount if the difference is at least \$50.00. Under-secured unassigned business customers will be billed the amount if the difference is at least \$100.00.

V. Conclusion

The Companies respectfully submit that the relief requested herein is consistent with the public interest and is based upon good cause shown.

WHEREFORE, DEC and DEP respectfully request that the Commission:

- (1) grant their request for a limited waiver of S.C. Code Ann. Regs. 103-339(2)(a)-(b), which will allow the Companies to omit meter readings for interval-billed rates and date usage was last obtained from the meter;
- (2) grant their request for a limited waiver of S.C. Code Ann. Regs. 103-321 to standardize the monthly billing period so that proration of fixed charges occurs when the billing month includes fewer than twenty-six (26) days or more than thirty-four (34) days;
- (3) grant their request for a limited waiver of Section III.A.2(a)-(b) of the Companies' Code of Conduct to allow for an automated review of a customer's payment history where the customer is transferring service from one Duke Energy electric utility jurisdiction to another;
- (4) grant DEC's request to extend the remittance period for non-residential customers from fifteen days to twenty-five days;
- (5) approve the revisions to the Companies' service regulations in Attachments 1 and 2;
- (6) approve the Companies' Revert to Owner program as described above and in Attachment 3, effective in April 2021 for DEC and November 2021 for DEP;

- (7) grant the Companies' request that these limited waivers and service regulation updates will go into effect in April 2021 for DEC and November 2021 for DEP; and
- (8) grant any such other relief as the Commission deems just and reasonable.

Respectfully submitted, on this the 10th day of March, 2021.

s/Katie M. Brown

Katie M. Brown, Counsel
Duke Energy Corporation
40 West Broad Street, DSC 556
Greenville, SC 29601
Telephone: 864.370.5296
katie.brown2@duke-energy.com

*Counsel for Duke Energy Carolinas, LLC and Duke Energy
Progress, LLC*